

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	HB 259
Fiscal Note Number:	1
(H) Publish Date:	2/14/2022

Identifier: HB259-EED-PEF-2-1-22
Title: PERMANENT FUND DIVIDEND; 25/75 POMV
SPLIT
Sponsor: SPOHNHOLZ
Requester: House Education

Department: Fund Capitalization
Appropriation: No Further Appropriation Required
Allocation: Public Education Fund
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits			1,350,000.0	1,428,000.0	1,507,125.0	1,596,375.0	1,629,375.0
Miscellaneous							
Total Operating	0.0	0.0	1,350,000.0	1,428,000.0	1,507,125.0	1,596,375.0	1,629,375.0

Fund Source (Operating Only)

1041 PF ERA (UGF)			1,350,000.0	1,428,000.0	1,507,125.0	1,596,375.0	1,629,375.0
Total	0.0	0.0	1,350,000.0	1,428,000.0	1,507,125.0	1,596,375.0	1,629,375.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Agency: Department of Education & Early Development

Phone: (907)465-2875
Date: 02/01/2022 03:45 PM
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

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Analysis

This bill amends AS 14.17.300 with a new subsection (c) for the public education fund (PEF) that allows the legislature to appropriate additional funds from the general funds if the amount appropriated from the earnings reserve account, under AS 37.13.145(g), is insufficient to fund the state aid calculated under this chapter. Furthermore, AS 37.13.145(g), which is also a new subsection, states that the legislature may appropriate at least 50% of the amount appropriated under AS 37.13.145(b)(2) to the PEF.

Additionally, the Alaska Permanent Fund and Corporation, under the disposition of funds AS 37.13.145(b), is amended to allow the legislature to appropriate from the earnings reserve account. The language reduces the percentage for the dividend fund from 50% to 25% with the remaining 75% made available for appropriation by the legislature. Of the 75% available, 50% may be appropriated to the PEF for distribution to school districts, the state boarding school, and pupil transportation. If the amount appropriated exceeds what is needed to fully fund these programs the legislature may appropriate the remaining funds to districts based on AS 14.17, foundation formula (i.e. a one-time grant distributed outside the foundation formula on adjusted average daily membership).

The effective date of this bill is July 1, 2023 (FY2024).

The table below shows estimated appropriations to the PEF for funding K-12 education.

<i>Dollars in millions</i>	FY2024	FY2025	FY2026	FY2027	FY2028
POMV Draw	\$ 3,600	\$ 3,808	\$ 4,019	\$ 4,257	\$ 4,345
Half of 75% to PEF	\$ 1,350	\$ 1,428	\$ 1,507	\$ 1,596	\$ 1,629